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FM AMEMBASSY ASHGABAT  
TO RUEHC/SECSTATE WASHDC PRIORITY 8873  
INFO RUCNCIS/CIS COLLECTIVE  
RUEHLM/AMEMBASSY COLOMBO 0349  
RUEHKA/AMEMBASSY DHAKA 0371  
RUEHIL/AMEMBASSY ISLAMABAD 2059  
RUEHBUL/AMEMBASSY KABUL 0808  
RUEHKT/AMEMBASSY KATHMANDU 0167  
RUEHNE/AMEMBASSY NEW DELHI 0856  
RUEHMO/AMEMBASSY MOSCOW 2971  
RUEHBU/AMEMBASSY BUENOS AIRES 0047  
RUEHAK/AMEMBASSY ANKARA 2609  
RUEHBJ/AMEMBASSY BEIJING 0445  
RUEHCG/AMCONSUL CHENNAI 0080  
RUEHKP/AMCONSUL KARACHI 0129  
RUEHCI/AMCONSUL KOLKATA 0051  
RUEHLH/AMCONSUL LAHORE 0065  
RUEHBI/AMCONSUL MUMBAI 0090  
RUEHPW/AMCONSUL PESHAWAR 0403  
RHMFISS/CDR USCENTCOM MACDILL AFB FL  
RUEAIIA/CIA WASHDC  
RHEFDIA/DIA WASHINGTON DC//DHO-2/REA/NMJIC-J2//  
RUEKJCS/JOINT STAFF WASHINGTON DC//J5/RUE//  
RUEKJCS/SECDEF WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 000598

SIPDIS

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DEPT FOR SCA/CEN (NICOLAIDIS)

E.O. 12958: DECL: 06/14/2017

TAGS: [PREL](#) [EPET](#) [AR](#) [TX](#)

SUBJECT: SCA PDAS MANN MEETS WITH BRIDAS CEO DURING VISIT  
TO ASHGABAT

Classified By: Charge d'Affaires, a.i. Jennifer L. Brush for reasons 1.  
4 (B) and (D).

Summary

1. (C) During a May 31 meeting, the CEO of Argentine energy firm Bidas, Carlos Bulgheroni, told SCA PDAS Steven Mann that he was nearing resolution on a deal to recover the \$1 billion in arbitration awards owed his company by the Government of Turkmenistan for nationalization of Bida's Turkmenistan gas fields. Specifically, Bulgheroni hopes to gain agreement to receive Turkmenistan's share of gas from Bidas' former fields, now controlled by the Chinese National Petroleum Corporation (CNPC), which Bidas would then monetize by selling either to the north or east. Bulgheroni urged the United States to promote an alternative Turkmenistan-to-China pipeline in Beijing and to push Turkmenistan to reach agreement with Bidas. End Summary.

A New Deal for Bidas?

2. (C) In the course of his visit to Turkmenistan, SCA PDAS Steven Mann met on May 31 with Carlos Bulgheroni, CEO of Argentine energy firm, BRIDAS. Bulgheroni has returned to Ashgabat on a number of occasions to pursue issues related to the expropriation of BRIDAS' Turkmenistan gas fields. BRIDAS holds legally-binding arbitration awards against the Government of Turkmenistan in amounts exceeding USD one billion. Turkmenistan offered years before to settle the dispute with in-kind gas, but BRIDAS has been unable to persuade Gazprom to transit the gas.

¶3. (C) Bulgheroni is now trying to work a deal with Turkmenistan's new government and with CNPC, which has taken over the operation of the BRIDAS fields. He is promoting a solution through which Turkmenistan will pay off BRIDAS in gas provided by CNPC, i.e. from Turkmenistan's share of those fields' production. BRIDAS will then monetize the gas by selling either to the north or the east. Toward this end, Bulgheroni is working the issues in Beijing and Ashgabat and is encouraging the development of a Turkmenistan-to-China pipeline.

¶4. (C) He had just arrived in Ashgabat from Beijing, where he met with a range of Chinese officials and CNPC. He believes he is making progress with his Chinese interlocutors, although the details of the arbitration issues are "above CNPC's head." He believed his Beijing talks narrowed the difference in the price of gas and that the parties will solve the issues in one to one-and-half months.

¶5. (C) He met in Ashgabat with President Berdimuhammedov and he believed he is close to an agreement with the Government of Turkmenistan, but "they keep needing to be pushed." He urged the United States to be more active with the Chinese to promote an alternative pipeline and urged Mann to travel to Beijing to underscore U.S. support for such a line. Bulgheroni identified the following individuals as the key players on these issues: Zeng Qinghong, VP PRC; Zang Peiyan, Vice Premier; Zhou Youngkang, State Councilor; and Tang Jiaxuan, State Councilor.

¶6. (C) Bulgheroni plans to return to Ashgabat in mid-June. He has been involved in Turkmenistan since the early 1990's

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\* Missing Section 002 \*  
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